



MeritCare Health System  
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Robert L. Gilbertson, M.D., President

November 12, 2003

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The Honorable Charles Grassley, Chairman  
Senate Finance Committee  
Senate Dirksen Building, Room 219  
Washington, DC 20510

The Honorable Bill Thomas, Chairman  
House Ways and Means Committee  
Longworth House Office Building, Room 1102  
Washington, DC 20515

RE: Prescription Drug and Medicare Improvement Act of 2003 (S. 1 and H.R. 1 )

Dear Medicare Conference Committee Chairmen and Members:

I am writing to express my strong support for the inclusion of several items in the final version of the Prescription Drug and Medicare Improvement Act of 2003 that is recommended from the Medicare Conference Committee. The bill has the potential to ensure Medicare beneficiaries will have continued access to quality health services in rural communities.

The current Medicare program has several payment formula disproportions that are biased against rural providers, which result in the rural providers receiving payments far less than their urban counterparts for the exact same services. Seniors' access to quality health care in communities such as this are negatively affected due to the geographic imbalances that exist in the current Medicare program. Rural providers in North Dakota rely a great deal on Medicare payments for more of their total revenue. Rural hospitals have unique needs and Congress needs to understand these needs in order to be able to allocate Medicare dollars fairly. Hospitals located in the rural areas are a fundamental part of the community's economy and maintain healthcare services close to the patient's home. The current payment disproportion puts the survival of these rural services at risk. Inclusion of the items listed above in the Prescription Drug and Medicare Improvement Act would contribute to correcting the bias against rural providers, and we ask your support in this endeavor.

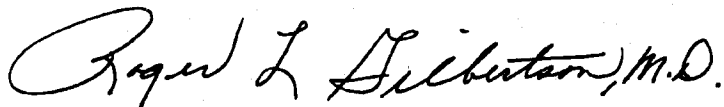
Specifically of concern for our organization and the communities we serve would be the following:

- GPCI Factor
- Standardized Amount
- Market Basket Update

- Labor Portion, and
- Niche Provider provision.

MeritCare Health System is a not-for-profit, integrated healthcare system serving communities in North Dakota and Minnesota. Founded in the early 1900s as St. Luke's Hospitals and Fargo Clinic, today it is one of the top 100 integrated healthcare networks in the nation as cited by Modern Healthcare magazine. MeritCare is comprised of a 583-bed hospital in two locations, over 361 physicians, more than 96 physician assistants and advanced practice nurses, over 6,000 employees and a network of 36 clinics in eastern North Dakota and northwestern Minnesota. If I can provide more information or if you are interested in discussing this matter in further detail, please contact Susan Bosak, Public Policy and Government Relations, at (701) 234-6332 or [susanbosak@meritcare.com](mailto:susanbosak@meritcare.com).

Sincerely,



Roger L. Gilbertson, MD  
CEO/President  
MeritCare Health System

cc: House Majority Leader Tom DeLay (R-TX)  
Rep. W.J. "Billy" Tauzin (R-LA)  
Rep. Nancy Johnson (R-CT)  
Rep. Michael Bilirakis (R-FL)  
Rep. Charles Rangel (D-NY)  
Rep. John Dingell (D-MI)  
Rep. Marion Berry (D-AR)  
Senate Majority Leader Bill Frist (R-TN)  
Sen. Orrin Hatch (R-UT)  
Sen. Don Nickles (R-OK)  
Sen. Jon Kyl (R-AZ)  
Senate Minority Leader Tom Daschle (D-SD)  
Sen. Max Baucus (D-MT)  
Sen. John Breaux (D-LA)  
Sen. John Rockefeller (D-WV)